



AIMS

AIMS Property Securities Fund

FY16 Interim Results Presentation

AIMS Fund Management Limited
29 February 2016

APW.ASX



Important Information

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Investment decisions should not be made upon the basis of its past performance since this can vary.

492 St Kilda Rd, Melbourne



10 Felix St, Brisbane



A Track Record of Managing Distressed Assets and Outperforming the Market

Laverton, Melbourne



20 Gul Way, Singapore



Optus Centre, Macquarie Park

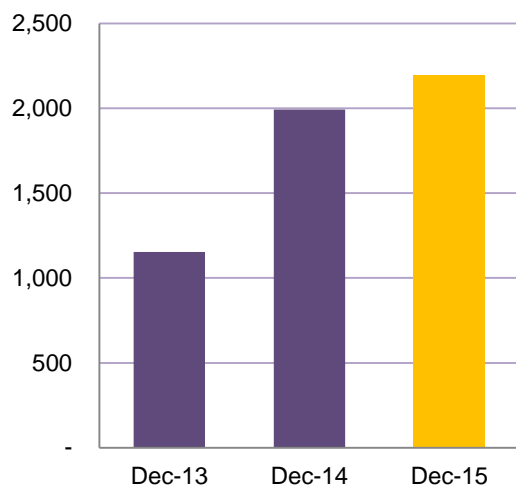


Oxygen, Spring Hill



Financial Highlights

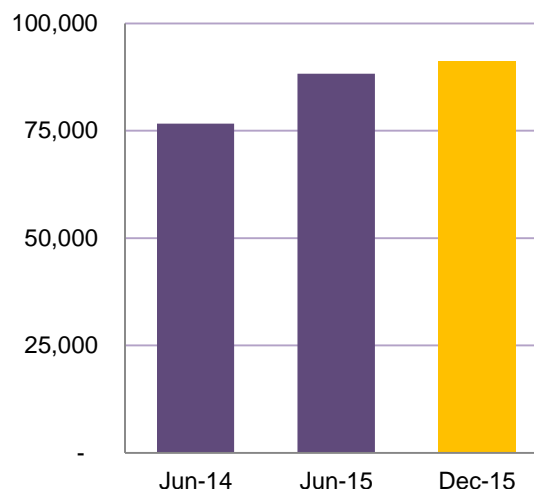
as at 31 December 2015



**INVESTMENT PORTFOLIO
DISTRIBUTION INCOME (\$'000)**

+10.0%

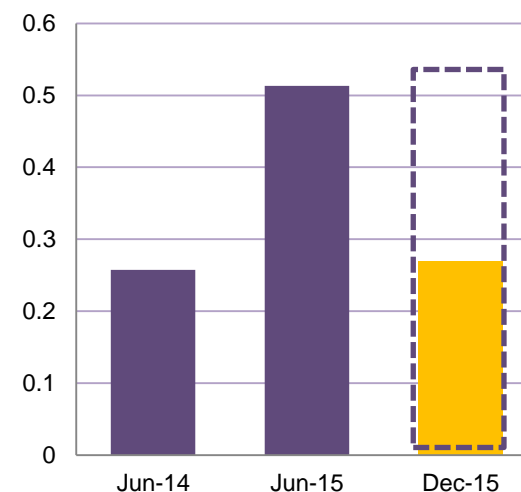
Increase compared to HY15



**NET ASSET VALUE
(\$'000)**

+3.4%

Increase compared to FY15



**ANNUALISED DISTRIBUTION
PER UNIT (CENTS)**

+4.9%

Increase compared to FY15

Financial Highlights

as at 31 December 2015



Income Statement (\$'000)	31 December 2015	31 December 2014
Distribution income	2,192	1,993
Interest income	18	320
Change in fair value of investments	2,712	7,026
Net Investment Income	4,922	9,339
Responsible entity fees	211	187
Administration expenses	222	284
Total Expenses	433	471
Net Gain before Finance Costs	4,489	8,868
Finance costs - income distribution	(1,217)	(1,098)
Change in Net Assets attributable to Unitholders	3,272	7,770

Balance Sheet (\$'000)	31 December 2015	30 June 2015
Cash and cash equivalents	1,492	760
Trade and other receivables	910	753
Total Current Assets	2,402	1,513
Listed property securities	27,134	25,139
Unlisted property securities	62,405	62,110
Total Non-Current Assets	89,539	87,249
Total Assets	91,941	88,762
Trade and other payables	727	520
Total Liabilities	727	520
Net Assets attributable to Unitholders	91,214	88,242

Financial Highlights

as at 31 December 2015



Key metrics - earning results	31 December 2015	31 December 2014	Change (%)
Investment distribution income	\$2.19m	\$1.99m	↑ 10.0%
Investment value increment	\$2.71m	\$7.03m	↓ -61.5%
Statutory net income	\$4.49m	\$8.87m	↓ -49.4%
Distribution per unit	0.27¢	0.24¢	↑ 11.6%
Key metrics - financial position	31 December 2015	30 June 2015	Change (%)
Total assets	\$91.94m	\$88.76m	↑ 3.6%
Net asset value	\$91.21m	\$88.24m	↑ 3.4%
Market capitalisation	\$58.68m	\$58.98m	↓ -0.5%
NAV per unit	20.21¢	19.45¢	↑ 3.9%
Unit trading price	13.00¢	13.00¢	0.0%
Units on issue	451.41m	453.71m	↓ -0.5%
Balance sheet gearing	Nil	Nil	0.0%

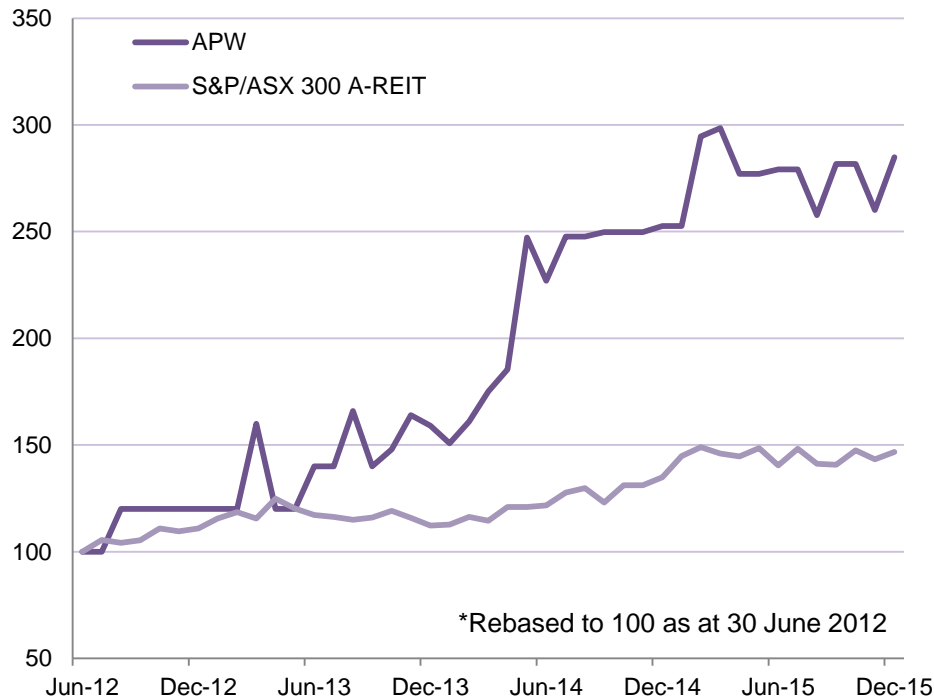
- Investment distribution income growth is contributed by the income unit investment in AIMS Property Fund (Felix St) and AIMS Property Fund (Laverton), which deliver a distribution yield of 6% per annum.
- Both periods have seen an increase in fair value of investment, \$7.0m in 2014 and \$2.7m in 2015. The reduced increment makes the statutory net income 49.4% less than the comparative in 2014.
- Total assets and net asset value increased at about 3.5%, while the market capitalisation and number of units decreased due to unit buyback.

Fund Performance

as at 31 December 2015



Total Return (p.a.)	1 Year	2 Years	3 Years	5 Years
AIMS Property Securities Fund	12.8%	33.9%	33.4%	11.3%
S&P/ASX 300 A-REIT	8.9%	14.3%	9.8%	8.9%
Relative Return	4.0%	19.5%	23.6%	2.4%



**TOTAL RETURN OF AIMS
PROPERTY SECURITIES FUND
SINCE FY12**

185%

compared with benchmark S&P/ASX
300 A-REIT; assuming fully take-up
in the entitlement offers and
reinvestment of the dividends

Portfolio Update



KEY INVESTMENTS UPDATE

1. Divestment of Australian Unity Office Property Fund
2. Increase in the valuation of Blackwall investments
3. Increase in the valuation of Arena REIT
4. Price discount to NTA for the listed securities

Portfolio summary	31 December 2015	30 June 2015		
Total portfolio value	\$89.54m	\$87.25m		
Number of securities	10	11		
Listed securities	5	5		
Listed securities (% by value)	30.3%	28.8%		
Number of fund managers	6	6		
Investment position	31 December 2015	30 June 2015	Change	Change (%)
Australian Unity Office Property Fund	\$5.93m	\$6.45m	-\$0.52m	↓ -8.1%
AIMS Property Fund (St Kilda Road)	\$18.64m	\$18.31m	\$0.34m	↑ 1.8%
MacarthurCook Office Property Trust	\$6.61m	\$6.58m	\$0.03m	↑ 0.4%
AIMS Australia Property Investment Fund	\$14.51m	\$13.98m	\$0.53m	↑ 3.8%
AIMS Property Fund (Laverton)	\$16.71m	\$16.78m	-\$0.06m	↓ -0.4%
Arena Office Fund	Wind-up	\$0.02m	\$0.02m	↑ 0.0%
Blackwall Property Funds Limited	\$1.16m	\$0.91m	\$0.25m	↑ 27.3%
BlackWall Property Trust	\$7.66m	\$7.13m	\$0.53m	↑ 7.4%
APN Regional Property Fund	\$2.07m	\$1.95m	\$0.12m	↑ 6.3%
AIMS AMP Capital Industrial REIT	\$5.55m	\$5.89m	-\$0.34m	↓ -5.8%
Arena REIT	\$10.69m	\$9.25m	\$1.44m	↑ 15.6%



1

Divestment of Australian Unity Office Property Fund

Portfolio's holding value of Australian Unity Office Property Fund decreased after the fund participated in the withdrawal offer and received \$468,206 for the units redemption.

2

Increase in the Valuation of Blackwall Investments

The unit prices of Blackwall Property Funds Limited and Blackwall Property Trust went up during the half year by 27.3% and 7.4% respectively, which increase the holding value of these two investments.

Blackwall Property Funds Limited increased its balance sheet liquidity by redeeming the Bakehouse Bonds of \$5.4 million.

Blackwall Property Trust released solid and stable results for the HY16:

- The property portfolio has over 98% occupancy and WALE of 5 years. The valuation remains the same as the 30 June position.
- The property joint venture portfolio has a number of activities or movements. Its investment in Bakehouse bond were redeemed in exchange for equity of a vehicle that owns the Bakehouse Quarter. The trust now holds 13% of the ordinary equity of the Bakehouse Quarter (valued at \$270 million). The trust exited one of the joint venture position in Penrith in December and resolved to exit the position in Pelathon Pub Group over the next 12 months. The trust increased investment in the Woods Action Centre by \$2 million.



3

Increase in the Valuation of Arena REIT

The unit price of Arena REIT went up significantly during the half year by 19.5%, which increase the holding value of this investment.

Arena REIT released strong operating results for the HY2016, including 20% increase in net operating profit and a ROE of 26.6% p.a. with solid underling assets portfolio (100% occupancy and WALE 8.8 years).

4

Price Discount to NTA for the Listed Securities

Blackwall Property Funds Limited and Arena REIT have seen a over 20% premium above the net assets value of the funds, which was contributed by the soaring unit prices of these securities. Blackwall Property Trust, APN Regional Property Fund and AIMS AMP Capital Industrial REIT currently have discount to the NAV.

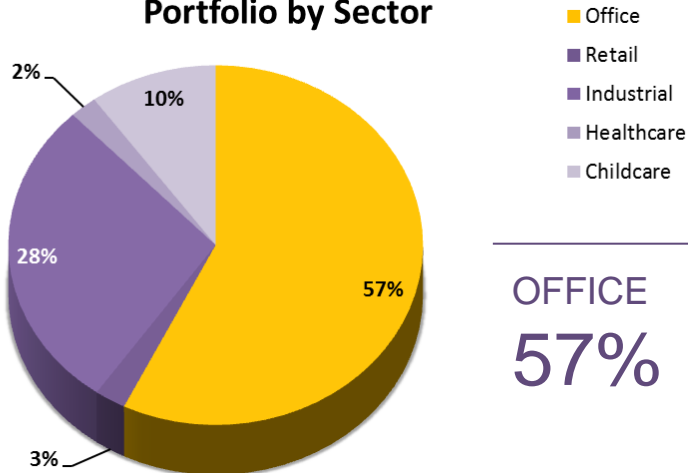
Listed Securities	Unit Price	NAV per unit	Premium / Discount to NAV	Value Position
Blackwall Property Funds Limited*	\$0.4200	\$0.3400	24%	Premium
Blackwall Property Trust	\$1.3100	\$1.4000	-6%	Discount
APN Regional Property Fund	\$0.8500	\$1.1042	-23%	Discount
AIMS AMP Capital Industrial REIT	\$1.3800	\$1.5200	-9%	Discount
Arena REIT	\$1.7800	\$1.4600	22%	Premium

* Blackwall Property Funds Limited's NAV is as at 30 June 2015

Portfolio Update

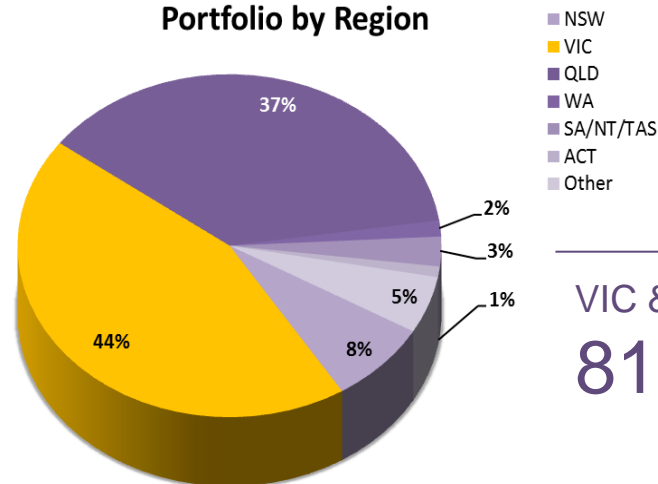


Portfolio by Sector



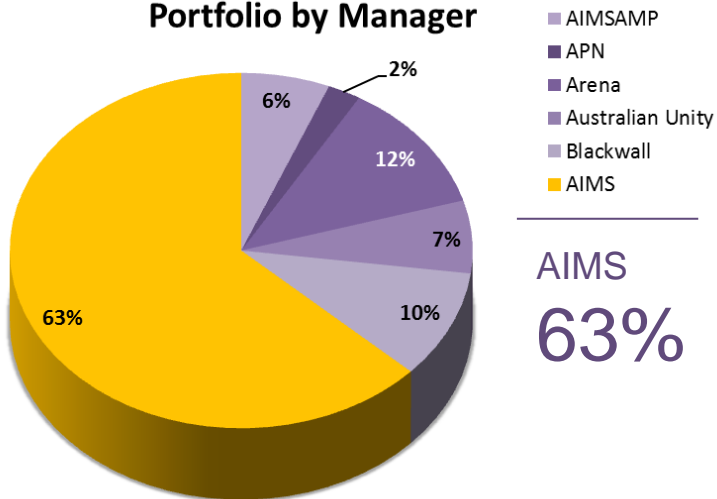
OFFICE
57%

Portfolio by Region



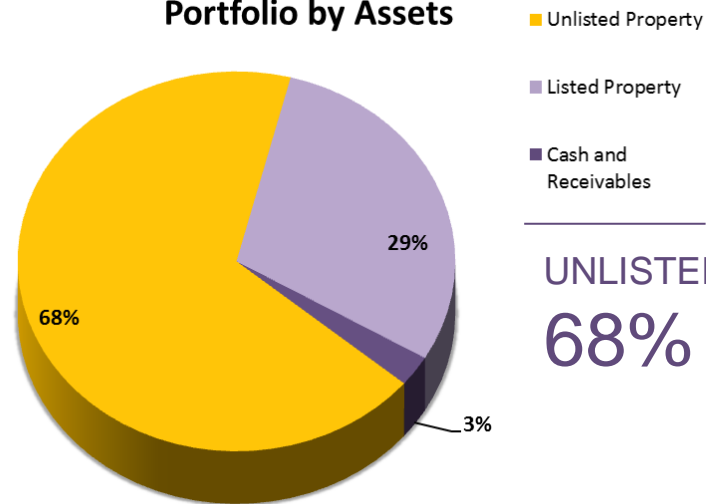
VIC & NSW
81%

Portfolio by Manager



AIMS
63%

Portfolio by Assets



UNLISTED
68%

Prudential Capital Management

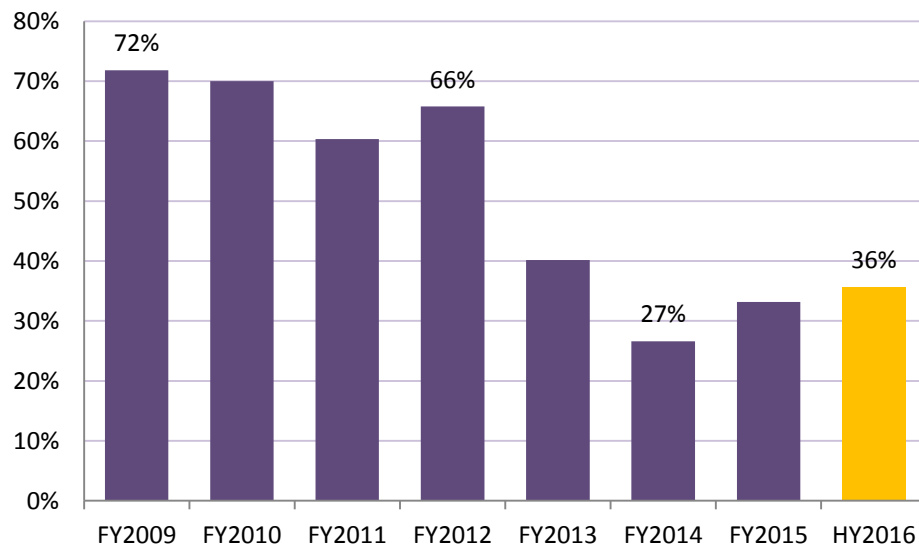


Unit Buy Back

On 5 February 2016, at the completion of the buyback period, the Fund bought back 4,751,646 units for a total consideration of \$627,639. The highest price paid was 14.5 cents per unit on 2 March 2015 and the lowest price paid was 12.0 cents per unit on 2 December 2015. The weighted average price per unit was 13.2 cents.

Price Discount to NAV

The Fund successfully reduced the price discount to NAV from 72% in June 2009 to 36% in December 2015. The NAV per unit and the unit price as at 31 December 2015 are 20.2 cents and 13.0 cents.



PRICE DISCOUNT TO NAV

36%

as at 31 December 2015, reduced from 72% in June 2009.

Fund Strategies



Redeem the Fund's Investment and Deploy Capital to New Investment Opportunities

The Fund has been successfully redeeming the underperformed investments and invest the fund to new investments that would add value and deliver outstanding returns, in the best interest of unitholders.

Focus on Value-add Type Investment Opportunities

The Fund has an investment style focusing on value-add assets. These assets include 492 St Kilda Road, Melbourne in AIMS Property Fund (St Kilda Road) and 10 Felix St, Brisbane in AIMS Property Fund (Felix St) (investing through AIMS Australian Property Investment Fund).

Continue Regular Income Distribution at a Target Payout Ratio of above 80%

The Fund has a portfolio of stable income generating securities, with 93% of the portfolio assets delivering regular quarterly or half-yearly distributions. The net income will be distributed to unitholders at a target payout ratio of above 80% each quarter.



Portfolio Investment Update
AIMS Property Fund (St Kilda Road)

Fund Update

AIMS Property Fund (St Kilda Road)



AIMS Property Fund (St Kilda Road) is an unlisted property fund that invests in a single asset located at 492 St Kilda Road, Melbourne. Its objective is to provide regular distributions and the potential for capital growth over the long-term.

FINANCIAL RESULTS

For the half year ended 31 December 2015, the Fund increased its NTA to \$0.45 per unit (30 June 2015: \$0.43 per unit), with gearing reduced to 42.9% (30 June 2015: 43.7%). Preference distributions of 1.0498 cents per unit were paid to the preferred unitholders for the September and December quarter, indicating an annualised distribution yield of 4.9% on the 30 June 2015 NTA. From 1 January 2016, all units will rank equally for fund distributions.

Property Details	Location	492 St Kilda Road, Melbourne
	Property Type	B-Grade Office
	Site Area	2,243sqm
	NLA	8,803sqm

Tenancy Details	Top Three Tenants	Peet Limited, Avaya Australia, Dr Reddy's Laboratories
	Number of Tenants	37
	Occupancy	84%
	WALE	1.7 years

Valuation Details	Current Valuation	\$34,200,000
	Valuation Date	30 Jun 2015
	Capitalisation Rate	7.25%



Fund Update

AIMS Property Fund (St Kilda Road)



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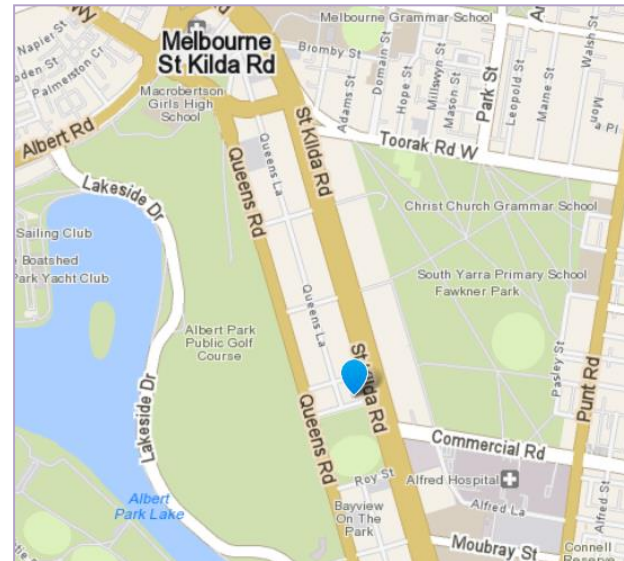
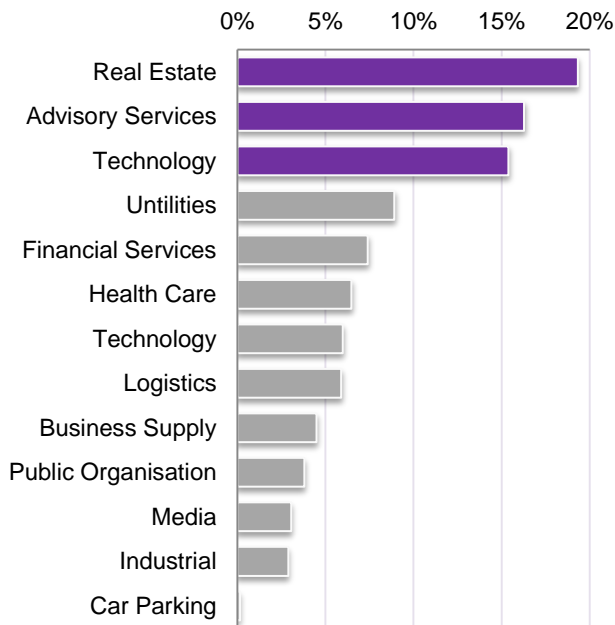
The property is currently tenanted by 37 sector-diversified tenants. About half of the tenants are from real estate, technology and advisory services sectors. The property has a WALE of 1.7 years.

OUTLOOK

The St Kilda Road market is experiencing a continuing withdrawal of secondary office stocks for residential redevelopment with yield compression (a comparable office building at 432 St Kilda Road was sold for \$41.6 million in December 2014 at a capitalization rate of 7%).

The property has superior views over the parkland and water, a highly sought-after location for a residential development. It is very likely that the property can maintain its high capital value growth potential.

Tenant Sector Distribution (by income)



Distance to Melbourne CBD
4km
10mins driving



Portfolio Investment Update
AIMS Property Fund (Felix St)

Fund Update

AIMS Property Fund (Felix St)



AIMS Property Fund (Felix St) is an unlisted property fund that invests in a single property located at 10 Felix St, Brisbane. The property is located near the “Golden Triangle” in the Brisbane CBD, directly behind Waterfront Place and less than 25m to the riverfront.

DISTRIBUTIONS

The Fund paid income unit distributions of \$379,726 during the half year, representing a yield of 6% per annum on each \$1 income unit investment.

ACTIVE LEASE MANAGEMENT

Under AIMS’s active lease management, the property has successfully increased its occupancy rate to 89% (30 June 2015: 76%), higher than the Brisbane CBD average of 85%.

Property Details	Location	10 Felix St, Brisbane
	Property Type	B-Grade Office
	Site Area	1,009sqm
	NLA	4,752sqm

Tenancy Details	Top Three Tenants	National Storage, NSW Business Chamber, Taldor
	Number of Tenants	18
	Occupancy	89%
	WALE	1.9 years

Valuation Details	Acquisition Price	\$26,000,000
	Acquisition Date	13 February 2015
	Capitalisation Rate	9.32%



Fund Update

AIMS Property Fund (Felix St)



- **Prime location**

The property is located near the “Golden Triangle” in the Brisbane CBD, directly behind Waterfront Place and less than 25m to the riverfront.

- **Diversified mix of quality tenants**

The property has a quality tenancy profile that is diversified. Top three tenants account for 34.6% of the total lettable area.

- **Potential to enhance value through active leasing and asset management**

The property’s income and value are expected to improve under AIMS’s active leasing and asset management.

- **Redevelopment Potential**

The property has medium to long term redevelopment upside, considering the prime location and its medium density improvement.





Portfolio Investment Update
AIMS Property Fund (Laverton)

Fund Update

AIMS Property Fund (Laverton)



AIMS Property Fund (Laverton) is an unlisted property fund that invests in a single property located at 3 James Street and 78-118 Cherry Lane, Laverton, Victoria.

The property is a 238,070sqm land holding in the centre of the Laverton industrial area in Melbourne, occupied by Patrick Autocare for new imported vehicle storage and pre delivery vehicle servicing under a 10-year triple net lease with rental growth of 4% p.a. The site is less than 2km from 4 major linkages (Princess Highway, Western Ring Road, Deer Park Bypass and the West Gate Freeway).

DISTRIBUTIONS

The Fund paid income unit distributions of \$170,959 during the half year, representing a yield of 6% per annum on each \$1 income unit investment. The property has long-term secured cashflows to support the Fund's distributions to unitholders.

Property Details	Location	3 James Street and 78-118 Cherry Lane, Laverton, Victoria
	Property Type	Industrial
	Land Area	238,070sqm

Tenancy Details	Tenant	Patrick Autocare, majority owned by Asciano Limited
	Lease Type	Triple Net Lease
	Occupancy	100%
	WALE	9.5 years

Valuation Details	Acquisition Price	\$35,500,000
	Acquisition Date	19 June 2015
	Capitalisation Rate	6.1%





AIMS Fund Management Limited Present this Report

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